MANITOBA LOTTERIES FOUNDATION

Annual Report 1988-89

90-01311/

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The Manitoba Lotteries Foundation is responsible for the management and operation of lottery schemes on behalf of the Province; and the licensing of charitable and religious organizations to conduct gaming activities.

Minister responsible for the administration of the Manitoba Lotteries Foundation Act;
The Honourable Bonnie Mitchelson

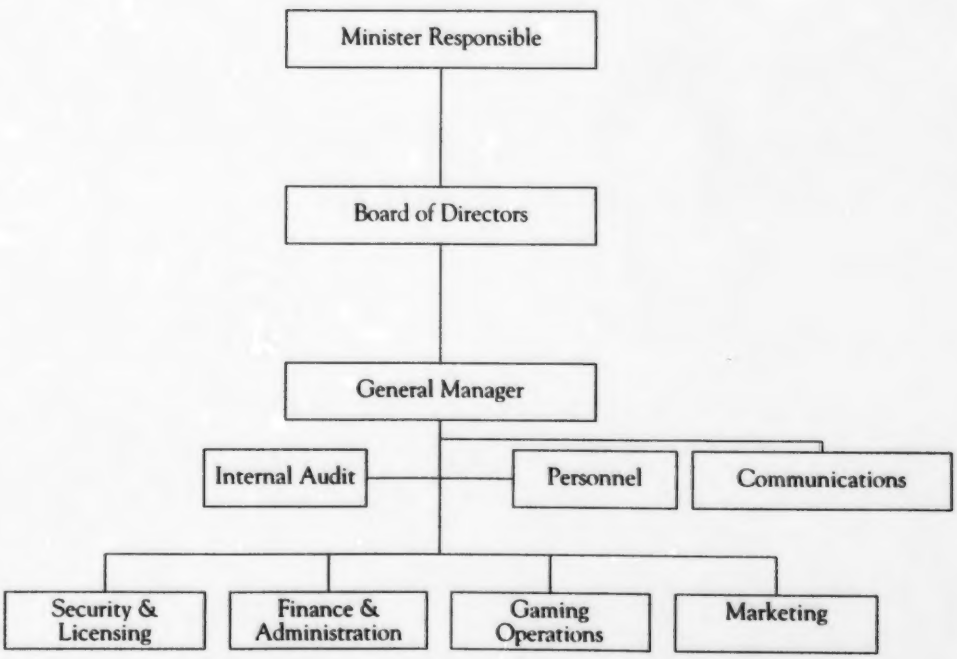
Board of Directors

Glenda Russell, Chairman
Maurice Therrien, Vice-Chairman
Nellie Allen
Ruth Gales
Emily Konopelny
Gordon Mitchell
Les Parry
Howard W. Robinson
Jane Smith
Bob Solmundson
Bob Swain
Bill Wilton, Sr.

General Manager

Garth Manness

Organizational Structure



MANITOBA LOTTERIES FOUNDATION

830 EMPRESS STREET, WINNIPEG, MANITOBA R3G 3H3
TELEPHONE: (204) 957-2500
FAX: (204) 957-2621

Honourable Bonnie Mitchelson
Minister responsible for Lotteries
Room 118 Legislative Building
WINNIPEG, Manitoba
R3C 0V8

Madam:

I have the honour to transmit herewith the Sixth Annual Report of the Manitoba Lotteries Foundation.

This report provides a summary of the activities and accomplishments of the year ended March 31, 1989, and, to the best of my knowledge, accurately reflects the affairs of the Foundation during that fiscal period.

Respectfully submitted,

Glenda Russell

Glenda Russell
Chair
MLF Board

MANITOBA LOTTERIES FOUNDATION

830 EMPRESS STREET, WINNIPEG, MANITOBA R3G 3H3
TELEPHONE: (204) 957-2500
FAX: (204) 957-2621

Ms Glenda Russell
Chair
Manitoba Lotteries Foundation
830 Empress Street
WINNIPEG, Manitoba
R3G 3H3

Dear Ms Russell:

I am honoured to present this, the Sixth Annual Report of the Manitoba Lotteries Foundation for the fiscal year ended March 31, 1989.

Financial statements, some operational highlights and the Report of the Provincial Auditor are provided within.

Respectfully submitted,

Garth Manness
General Manager

Chairman's Report

Fiscal year 1988-89 was a year of change for the Manitoba Lotteries Foundation (MLF). Ten new board members were appointed in July of 1988 joining long-standing board members Howard Robinson and Maurice Therrien. The new board members received extensive orientation sessions in September and started assessing MLF policy in October.

A sub-committee of the board consisting of the Chairman, Glenda Russell, and Board members Bob Swain, Bob Solmundson and Les Parry, was appointed to review the recommendations of the consultants undertaking the Needs Assessment, a study to determine the effectiveness of the lottery funding system. This committee spent many hours meeting with the consultants reviewing their recommendations and ultimately advising the Honourable Bonnie Mitchelson on the recommendations of the consultants. The committee met with all Umbrella groups and Special Agreement groups in April of 1989 to receive their comments on the Needs Assessment recommendations and transmit them to the Minister.

The Board was actively involved in the issuance of licenses to charitable and religious organizations to operate raffles, bingos, breakopen tickets, calcutta auctions, wheels of fortune and monte carlo events. One thousand eight hundred thirty-six licenses were issued in 1988-89.

In December of 1988 the Board approved a new policy for the licensing of Major Raffles. With the new policy, the number of major raffles allowing prizes up to $500,000 was increased from two to four per year in Manitoba. The four would be operated in separate quarters of the year to ensure that there would not be any overlap between raffles. Organizations such as the Health Sciences Centre Research Foundation and the St. Boniface General Hospital Research Foundation have raised large amounts of money to further the work of their organizations through the major raffles in past years.

In February of 1989 the Honourable Bonnie Mitchelson announced the introduction of a year-round casino in Winnipeg to be located at the Hotel Fort Garry. This casino, to be operated in the style of a European model, will be modest in size, featuring the introduction of slot machines, and running evenings Monday to Friday and from noon on Saturday. All proceeds from the casino will go to special health projects in Manitoba.

The casino, to be operated by the Manitoba Lotteries Foundation, will replace the Casino-at-the-Centre at the Winnipeg Convention Centre and the 25 smaller casinos operating in communities outside of Winnipeg, with the exception of one or two in northern Manitoba.

The Board of the Manitoba Lotteries Foundation is anxious to work toward the opening of the new casino in the fall of 1989 and looks forward to continuing to improve the lottery and gaming system in Manitoba to ensure that the public of Manitoba is well served in this industry.

Glenda Russell
Chairman

General Manager's Report

The Manitoba Lotteries Foundation is pleased to report revenue over expenditures of $56,994,649 for the fiscal year ending March 31, 1989. This represents a 2.4% increase in revenue over the previous fiscal year. Revenue from gaming activities is distributed to Umbrella groups, Special Agreement groups and the Government of the Province of Manitoba.

Revenue from the Western Canada Lottery Corporation (WCLC) increased by over $3,000,000 as a combined result of sales increases of 8% and a reduction in the payment to the Federal Government of approximately $1,400,000. The increase in lottery sales to over $130,000,000 came as a result of a 10% increase in Lotto 6/49 sales as well as a similar increase in the sale of instant tickets.

Two new games were introduced in 1988-89. In August of 1988 The Plus was introduced as a game played in conjunction with Lotto 6/49 and Lotto 6/36. The game was extremely well received and generated sales of close to $7,000,000. Super Lotto was discontinued in May of 1988 and replaced with a $20 ticket called Special '88. This game was followed by another $20 game in January of 1989 called Celebration '89. These games were reasonably

well received indicating a market for the higher priced ticket on an irregular basis throughout the year.

The lottery network in Manitoba continued to serve the needs of the Manitoba lottery ticket buyers. As of March 31, 1989 there were 1218 retailers in Manitoba with 623 of them operating as Lottery Ticket Centres.

The Manitoba Lotteries Foundation hosted its 1st Annual Retailers' Convention on March 3 & 4, 1989 at the Holiday Inn Downtown. A total of 452 retailers and support staff attended this day and a half convention which gave retailers an opportunity to meet with fellow retailers, learn more about lotteries between the Western Canada Lottery Corporation and the MLF, and improve their sales through customer service.

The Foundation continued its direct involvement in the distribution of breakopen tickets and bingo paper as well as the operation of the Pot O' Gold Bingo and Bonanza Bingo halls. These two halls generated over $4,115,000 in 1988-89 continuing to be one of the best forms of fundraising for many community groups in Manitoba. In January, February and March of 1989, the MLF tested new breakopen tickets in the bingo halls. These new games, featuring higher prize returns to the player, were well received. Based on the results of this test, program plans are being put in place to introduce changes to the breakopen ticket program for all groups in the 1989-90 fiscal year.

Casino revenue declined by 28% in 1988-89 as a result of three factors:

1. Daily profit in Winnipeg casinos went down by 12% as a result of a 4% decrease in daily win and a 7% increase in daily expenses. Daily expenses increased due to a change in a Revenue Canada ruling as to the status of casino workers. As of January 1, 1988 MLF was required to pay Unemployment Insurance Premiums, and Canada Pension Plan benefits for the casino workers.
2. Total number of casino days decreased in 1988-89 by 15 from 105 to 90 days which were operated in 1988-89.
3. Rural casino revenue decreased by $300,000 as a result of reduced revenue in these casinos as well as the fact that only one rural casino was operated in January, February and March of 1989.

It is expected that, with the introduction of the year-round casino at the Hotel Fort Garry, these casino figures will increase to $10,000,000 annually by the 1990-91 fiscal year.

In its regulatory role, the MLF continued to issue licenses for the management and conduct of lottery schemes. Along with issuing 1,836 licenses, the MLF maintained its strong investigative and audit programs ensuring that the gaming industry in Manitoba would maintain its high level of integrity and public acceptance.

The Foundation maintained its close working relationship with the Western Canada Lottery Corporation as well as with all Umbrella groups and Special Agreement groups, and looks forward to a successful year of operation in 1989-90.

Garth Manness
General Manager

Executive

Through the General Manager, the Executive division provided the primary focus and contact with the Minister responsible for Lotteries, the Board of Directors and other nationally and provincially operated lottery organizations.

In addition, the division provided the Foundation with an operational audit service through its Internal Auditor and a comprehensive human resource service through the Personnel section.

The **Internal Auditor** maintained his examination of a sample of the widely diverse operational systems in use by the Foundation. His function ensured that these systems operate within the Foundation's legislative framework and maintain the highest level of integrity and security.

The **Personnel Services** section managed all related human resource functions within Civil Service Commission standards and all relevant legislative frameworks. Personnel Services began the negotiation process with the MGEA to conclude collective agreements with the MLF's non-civil service employees.

As part of a division reorganization, **Communications** became a section of the Executive division in February 1989, reporting directly to the General Manager.

Increased emphasis on player and beneficiary awareness resulted in expanded communications efforts in these areas. The focus was upon the role of funding Umbrellas and Special Agreement groups in the Lot-

tery Funding System and included advertisements featuring beneficiaries, sponsorships, and utilization of promotional items at beneficiary activities. A new image to promote the Lottery Funding System theme, "Manitoba Lotteries...Making Good Things Happen!" was created which included a revised logo and tagline with new colours. The new look was featured on promotional items and for corporate identity purposes.

The Communications section continued to assist with idea and product development in MLF game-related areas including the Lottery Retailers' Convention, Breakopen Ticket game concepts, bingo hall promotional activities, and Casino-at-the-Centre advertising.

Finance and Administration

The Finance and Administration division includes Accounting, Planning and Evaluation, Property Management, and Information Systems sections. The division is responsible for the management of the finances entrusted to the Manitoba Lotteries Foundation.

The **Accounting** section continued to provide centralized accounting and purchasing services and general administrative services. The section also processed orders for bingo paper and breakopen tickets, and wholesale lottery tickets.

The **Planning and Evaluation** section co-ordinated the formal planning for all MLF divisions and sections, and for the evaluation of program effectiveness. The section was assigned the responsibility for the administration of access to MLF records under the Freedom of Information legislation.

The **Property Management** section continued to maintain all MLF buildings and related equipment such as office furnishings and service vehicles, and co-ordinated the warehousing of breakopen tickets and bingo paper. During the 1988-89 fiscal year, major renovations were completed in the bingo halls and renovations to the head office at 830 Empress had begun. A new kiosk was built at Portage Place which is operated by the Foundation.

The **Information Systems** section is responsible for the development, implementation and maintenance of all MLF computer systems. During the 1988-89 fiscal year, new systems developed included a craps random dice simulator, an automatic schedule generation system and improvements to the licensing system. Some work was also done on a new accounting package and the bingo hall financial system.

Gaming Operations

The Gaming Operations division is responsible for the management and operation of casinos in Manitoba as well as two bingo halls in Winnipeg.

Casino Operations

Casino-at-the-Centre continued to operate at the downtown location in the Winnipeg Convention Centre in 1988-89. Ten Umbrella and Special Agreement groups shared in the proceeds generated through the casino.

During the 1988-89 year, the Winnipeg casino operated a total of 90 days (two 9-week, Tuesday to Saturday, segments).

Part-time casino staff participated in a variety of training programs throughout the year. These training programs provided sessions on the new games of craps and Pai Gow Poker, as well as other games and ensured that a high level of integrity and proficiency was maintained in the operation of other games such as Blackjack, Red Dog, Sic Bo, Big Six and Baccarat.

In this fiscal period, casinos were also operated in 25 other locations outside the City of Winnipeg. Proceeds from these 105 days of operations were distributed directly to the 33 participating charitable groups in those communities.

Bingo Operations

The Manitoba Lotteries Foundation continued the operation of two bingo halls in Winnipeg at 427 McPhillips Street and 970 Nairn Avenue throughout 1988-89.

Charitable community organizations were scheduled through Umbrella groups to participate at specified bingos. The organizations provided volunteers to assist in the operation of bingos and earned funds directly from those events.

Eleven new breakopen games, including a $2.00 ticket, were test-marketed in the bingo halls during the months of January 1989 and March 1989. The test proved to be a success as both sales and return to the sponsor organizations were well above average.

The air quality of the bingo halls was upgraded with the installation of air make-up units. The 970 Nairn Avenue hall increased the availability of patron parking with the addition of a second parking lot adjacent to the Nairn Avenue property.

Security & Licensing

The Security & Licensing division is responsible for providing a lottery licensing system enabling charitable and religious organizations throughout Manitoba to raise funds through volunteer-operated activities. The security for all Manitoba Lotteries Foundation gaming operations and gaming products is also part of its mandate.

Lottery Audit Section

The Lottery Audit Section monitored the revenue, expenses and disbursements of lottery funds generated by licensed organizations. New report forms were designed in order to assist licensees in implementing internal controls. These control measures are meant to ensure that all lottery funds are properly recorded and reported.

Organizations which failed to comply with MLF reporting requirements were referred to the Licensing and Investigations sections for further action.

Bingo/Breakopen Section

The Bingo/Breakopen Section's primary responsibility is to assist community groups in maximizing licensed lottery profits. Consultative services were offered on game plans, pricing and selling strategies, financial reporting and other licensing requirements.

This section also experimented with new product lines and prize payback levels of assorted breakopens, endeavouring to add consumer interest to this important community fundraising program.

Casino Investigation Section

Implementation of all security measures within Manitoba Lotteries Foundation casinos is the responsibility of the Casino Investigation Section. In fiscal 1988-89, this included on-site security, routine inspections of all gaming equipment, and the investigation of irregularities and complaints. The section also continued to provide recommendations for appropriate courses of action on investigative matters.

General Investigations Section

During 1988-89, members of the Investigations Section continued to monitor the integrity of lottery operations within the Province. Numerous complaints were acted upon regarding licensed activities, lottery tickets, conduct of games and gaming events, and the use of funds earned. Particular emphasis was placed on increasing the number of bingo and breakopen inspections conducted. The most significant investigation undertaken included a large-scale fraud operation being perpetrated at several bingo halls, relating to forged Bonanza Bingo cards. Presently eight individuals have been charged with various offences and are awaiting court action.

Licensing Section

The major activity carried out by this section was the fair and equitable processing of lottery license applications and amendments thereto. Information and advice pertaining to lottery licenses and schemes was provided to the public through approximately 5,000 telephone queries or personal interviews. Significant projects carried out during this fiscal year included conversion of the filing system from numerical to organization numbers; input into the revision of MLF Terms and Conditions; and input into computerizing the Licensing Section. A breakdown of the actual lottery licenses issued during the 1988-89 fiscal year are shown in Table 1.

Licenses Issued 1988-89 (Table 1)

Bingo	722
Breakopen	789
Calcutta Auction	40
Monte Carlo Casino	17
Raffle	232
Rural Casino	6
Wheels of Fortune	20
Sports Draft	2
Midway Operator	8
TOTAL:	1,836

Security Systems Section

Throughout the fiscal period this section continued to co-ordinate all physical security measures employed in the various Manitoba Lotteries Foundation facilities. In addition to establishing security policy, the section also tested and assessed the security of breakopen tickets and bingo paper and was responsible for numerous other security assignments.

Marketing

Lotteries

In order to concentrate on specific aspects of marketing lottery products and to deliver a more comprehensive training program to retailers, the Marketing division was reorganized. The components of Networking/Special Projects and Promotions/Training were created within the Marketing division to accomplish this.

Super Loto, the $10 traditional ticket (national) was removed from the market due to decreasing popularity across the country. This product was replaced with a "Special" ticket with a retail value of $20 and was well received by consumers.

Networking/Special Projects

During the 1988-89 fiscal year, the MLF authorized the installation of 75 lottery terminals for sale of national (Lotto 6/49), regional (Lotto 6/36) ticket games and The Plus.

The Manitoba Lotteries Foundation hosted its 1st Annual Retailers' Convention on March 3 & 4, 1989 at the Holiday Inn Downtown. A total of 452 retailers and support staff attended this convention which gave retailers an opportunity to meet with other retailers; learn more about the relationship between the WCLC and the MLF, the lottery business; and ways to improve their sales through better customer service.

Promotions/Training

In order to provide retailer sales incentives and continue to boost lottery sales in the province, a promotion program with an appropriate budget was developed during 1988/89 fiscal year. An evaluation of the promotion program will be conducted.

During 1988/89, technical training remained the priority and focus of the training area. Eight hundred and two operators representing 400 retail outlets were trained this past fiscal year with specific concentration on terminal operating procedures. With this increased training and retailer involvement, an increase in sales and market penetration is expected.

The Components for Winning retailer training program continued to be offered, however, the program underwent several structural changes in order to make it more applicable to retailers.

In order to deliver these two programs properly, a second Training Officer was hired to assist the section.

Breakopen Section

So that all marketing activities of the Foundation could be co-ordinated within the same area, the responsibility of the production and marketing of breakopen ticket products was added to the section.

In order to increase breakopen sales and determine buying habits and customer preferences, tests of new breakopen products were conducted in MLF bingo halls in January and March of 1989. The results of these tests are to be used in developing a yearly marketing and game development plan.

Where the Money Goes

Lottery Funding System

Since the creation of the Lottery Funding System in 1984, six funding Umbrellas, six Special Agreement groups and three provincial government departments have distributed gaming revenue. Non-profit, community-based organizations are eligible to apply for grants to funding Umbrellas and government departments.

Financial information on the Lottery Funding System is included in Schedule six and seven of the Provincial Auditor's Report.
(pages 25 & 26)

MLF-Licensing

In addition, organizations may raise funds directly through MLF-licensed events; bingos, breakopen ticket

sales, calcuttas, monte carlos, raffles (with prizes over $3000.00) and media bingo.

Needs Assessment Review

The findings of the Needs Assessment Review, initiated in the previous fiscal year, were expected to have an effect upon the structure of the system. However, no changes were made in the 1988/89 fiscal year as the Needs Assessment Review was still in progress as of March 31, 1989.

Casino Operations

The MLF continued to conduct and manage all casinos in the province of Manitoba. Revenue from rural casinos went directly to the sponsoring organizations. Revenue from Casino at the Centre, operating in the Winnipeg Convention Centre, was distributed to six funding Umbrellas and four Special Agreement groups.

In February of 1989, it was announced that, with the exception of one or two northern Manitoba casinos, all casinos would be amalgamated into a single year-round operation to be located on the 7th floor of the Hotel Fort Garry. Revenue from the new casino operation, scheduled to open in the fall of 1989, will be used for special health care projects in the province.

Funding Umbrellas

Funding Umbrellas are the organizations, designated by the provincial government, to distribute lottery revenue to non-profit community organizations in Manitoba. Each funding Umbrella represents a number of smaller, community organizations that share common goals or objectives. Manitoba's unique Lottery Funding System is based upon the input of these community organizations, an integral part of a system which improves the quality of life for all Manitobans.

The Arts Umbrella

The **Manitoba Arts Council** is the designated Umbrella organization for the arts. The lottery revenues were shared on a 75 percent/25 percent ratio between the Manitoba Arts Council and its lottery allocations committee, the Manitoba Arts Gaming Fund Commission.

The Manitoba Arts Council, an agency of the Province of Manitoba, is directed by 15 government appointed members. Its broad mandate includes support of a wide variety of professional arts endeavours in Manitoba; the performing groups, arts-service organizations, publishers, and individual professional artists in all disciplines and innovative arts projects. Its programs include "Artists in the Schools" and touring development assistance. Specific criteria are outlined in its more than 40 program guidelines.

The **Manitoba Arts Gaming Fund Commission** was established in 1984 and operates under the mandate of the Manitoba Arts Council. It is a body comprised of 16 members, a chair appointed by the Manitoba Arts Council and 15 members elected for alternating three-year terms by Manitoba arts organizations, with representation grouped by size and discipline categories. All of the funds distributed by the Manitoba Arts Gaming Fund Commission are gaming-based. The Commission applies its portion of the revenues towards capital projects, special endeavours, tours, deficit reductions and aspects of operations. A broad range of not-for-profit charitable arts organizations including professional arts organizations, provincial art associations, and community and amateur arts groups may apply to the Commission.

Manitoba Arts Council
525-93 Lombard Avenue
Winnipeg, Manitoba R3B 3B1
(204) 945-2237

The Community Service Umbrella

The **Manitoba Community Services Council** (MCSC) was established in 1984 as a funding Umbrella of the Lottery Funding System. Its role is to allocate funds and/or gaming events/dates to Manitoba organizations qualifying as participants under this Umbrella. Projects and services of non-profit community service, social service, recreation and health-related organizations fall under the Council's Umbrella. MCSC guidelines are broad in order to respond to the changing needs of Manitoba communities. The MCSC does not fund fund-raising activities.

The Council is comprised of a volunteer board, consisting of a chairperson and at least ten other

members selected from both rural and urban areas.

All applications for funds are accepted and reviewed on a first-come, first-served basis. Only written applications are accepted. The Council meets monthly to make decisions on applications. Applications usually take three to four months to process.

Manitoba Community
Services Council
3rd floor, #5 Donald Street
Winnipeg, Manitoba R3L 2T4
(204) 475-3728

The Heritage Umbrella

The **Manitoba Heritage Federation** was established in 1985 as the funding Umbrella responsible for distributing gaming revenue to organizations or individuals whose aims are to preserve Manitoba's heritage. The Federation promotes, encourages, develops and preserves heritage and creates a forum in which organizations can share their common interest in Manitoba's heritage.

The Federation's Gaming Fund Committee, is made up of 19 members appointed by its executive based upon nominations from its membership and the heritage community. The Committee, chaired by a member of the executive, consists of one urban and one rural representative from each of the following disciplines; archives, archaeology, natural environment/conservation, genealogy, historical architecture, history and museology. There are also four members-at-large equally represented from both rural and urban areas.

Grants are extended to the heritage community and sponsored individuals for the continued development and promotion of heritage projects and programs throughout the province. Applications are considered once a year and must be received by December 1st.

Manitoba Heritage Federation
#434-167 Lombard Avenue
Winnipeg, Manitoba R3B 0T6
(204) 943-4568

The Multicultural Umbrella

The **Manitoba Intercultural Council** is a community-based agency which represents ethnocultural communities in Manitoba. Its mandate is to assist communities in promoting and maintaining the cultural values of Manitobans, and to develop understanding, appreciation and sharing of the diverse cultural values which enrich Manitoba and Canada. The Manitoba Intercultural Council advises the provincial government on all ethnocultural matters, and acts as an advocate on behalf of Manitoba's ethnocultural communities.

The funding provided to ethnocultural organizations through the Ethnocultural Community Support Fund, represents the Council's share of revenue in the Lottery Funding System. The Community Resource Allocations Committee, made up of six elected members of the Manitoba Intercultural Council, is responsible for the allocation of the monies from the Fund.

Activities supported through the Fund must be of benefit to the applying organization, the ethnocultural community or to a wider community. Eligible organizations may apply for operational funding, special projects or capital projects. Groups must be non-profit community-based ethnocultural groups or a non-profit organization composed of and serving two or more ethnocultural groups.

There are three application deadlines: April 30, August 31, and December 31.

Manitoba Intercultural Council
500-283 Bannatyne Avenue
Winnipeg, Manitoba R3B 3B2
(204) 945-4576
TOLL FREE in Manitoba
1-800-282-8069

The Sports Umbrella

The **Manitoba Sports Federation** represents 96 associations ranging from sport governing bodies to regional sport organizations. Its mandate is to encourage participation in sport at all levels of skill and ability, and to develop athletes of a national and international calibre. The Federation also plays a major role in the advocacy and promotion of amateur sport in Manitoba.

The Federation is governed by an 18-member volunteer board of directors, elected by and accountable to its membership. The Grants Committee, responsible for the allocation of lottery funds, is comprised of 12 volunteer members appointed by the Federation for a two-year term. No committee member can serve for more than four consecutive years.

Funds are granted annually at the

beginning of the Federation's fiscal year (April 1). Applications must be received by October of the previous year.

Manitoba Sports Federation
1700 Ellice Avenue
Winnipeg, Manitoba R3H 0B1
(204) 985-4000

Independent Schools Umbrella

A number of parochial and independent schools throughout the province are represented by the **Manitoba Community Education Association.** Funds are allocated to participating schools in proportion to their respective student enrolments. Non-denominational, Roman Catholic and Jewish schools are among their membership.

Manitoba Community
Education Association
℅ 10 Shelagh Crescent
Winnipeg, Manitoba R2T 1Z5
(204) 668-5862

Special Agreement Groups

Six **Special Agreement groups** participate in the Lottery Funding System. Unlike funding Umbrellas or provincial government departments, Special Agreement groups do not fund other organizations. Their share of lottery revenue is utilized in specific, identified program areas.

Special Events

Four of the Special Agreement groups operate special events: Red River Exhibition Association, Festival du Voyageur, Folk Arts Council of Winnipeg Inc. (Folklorama), and the Winnipeg Blue Bombers Football Club.

The **Red River Exhibition Association's** mandate is to promote Manitoba industry, agriculture, tourism and commerce; create a better understanding between racial and economic groups; and to promote, assist and conduct fairs, shows and lawful games of all kinds. A major annual project of this Association is the Red River Exhibition held each June in Winnipeg.

Red River Exhibition Association
876 St. James Street
Winnipeg, Manitoba R3G 3J7
(204) 772-9464

Le Festival du Voyageur is Western Canada's largest celebration of Manitoba's colorful past, where the mystique and colorful traditions of the eighteenth century Red River Colony are fused into ten days of friendly Manitoba hospitality. Le Festival features a variety of activities and events including ice sculptures, trading posts, daily and nightly entertainment, sled dog races, sports, tournaments, many cultural exhibits and friendly competitions for all ages.

Festival du Voyageur
765 Tache Avenue
Winnipeg, Manitoba R3H 2C4
(204) 237-7692 or (204) 233-7576

Folklorama, Canada's Festival of Nations, is the largest multicultural festival of its kind in the world, featuring 44 pavilions located throughout Winnipeg, each offering a cultural experience in food, entertainment and display. The event, organized by the Folk Arts Council of Winnipeg Inc., occurs the first two weeks in August each year with over 650,000 pavilion visitors enjoying a taste of our rich multicultural mosaic.

Folk Arts Council of Winnipeg
Inc. (Folklorama)
℅ Winnipeg Convention Centre
375 York Avenue
Winnipeg, Manitoba R3C 3J3
(204) 944-9793

Founded in 1935, the **Winnipeg Blue Bombers,** a professional football team which participates in the Canadian Football League, is also a non-profit organization. They have often captured the Western Conference Championship in the Canadian Football League and have gone on to win the coveted Grey Cup.

Winnipeg Blue Bombers
Football Club
1465 Maroons Road
Winnipeg, Manitoba R3G 0L6
(204) 786-2583

Community Service/Medical Research

The **United Way of Winnipeg's** share of lottery revenue is used to pay for its administrative costs, plus its allocation to the United Way of Canada. The United Way of Winnipeg also administers lottery revenue to rural Manitoba United Ways. This enables the organization to use monies raised through annual donation cam-

paigns for services, programs or projects provided by the United Ways' various participating agencies throughout the province. Any funds remaining are forwarded to the Manitoba Community Services Council, a funding Umbrella of the Lottery Funding System.

United Way of Winnipeg
3rd floor, #5 Donald Street
Winnipeg, Manitoba R3L 2T4
(204) 477-5360

Manitoba Medical Research provides funds to the Medical Research Council, capital projects for the three teaching hospitals and administrative research. Their share of provincial gaming revenue comes form the sale of breakopen tickets in hotels throughout Manitoba.

Manitoba Medical Research
% Health Sciences Centre
Research Foundation
800 Sherbrook Street
Winnipeg, Manitoba R3A 1M4
(204) 787-2022

Lottery Funded Provincial Departments

Three provincial government departments receive lottery revenue for the funding of program areas, the Department of Culture, Heritage and Recreation, the Department of Industry, Trade and Tourism, Sport Directorate, and the Fitness Section of the Health Promotion Directorate, Department of Health.

Department of Culture, Heritage and Recreation

The **Department of Culture, Heritage and Recreation** has a mandate to work with communities to achieve mutual goals in developing cultural, heritage and recreation initiatives that cultivate creative expression, strengthen community identity, preserve and protect heritage, recognize cultural diversity and enhance the lives of all residents. This is accomplished through a balance of consultation and financial assistance in support of community resource development.

The Department supports the operation of cultural, heritage and recreational agencies and institutions through the provision of annual operating grants and the delivery of community-based activities through formula-based project grants. It also offers a wide range of materials and services designed to promote the development of new opportunities and an awareness of the benefits of culture, heritage and recreation activities. Generally, applicants must be non-profit, community-based organizations.

Grants Administration Branch
Manitoba Culture, Heritage and Recreation
8th floor-177 Lombard Avenue
Winnipeg, Manitoba R3C 0V8
(204) 945-4580

Sport Directorate

The **Sport Directorate's** purpose is to guide and assist sport development from the initiation or grass roots level to the elite or high performance level.

The Sport Directorate publishes a program manual annually which outlines the programs and policies of the Directorate. The manual includes applications for the majority of the Directorate's programs for the upcoming fiscal year.

The Sport Directorate recognizes only one association per sport group with priority given to those recognized by Sport Canada and the Manitoba Sports Federation. Groups must function effectively as a non-profit organization in Manitoba. The Directorate's deadline for application is generally the end of February or early March.

Sport Directorate
205-379 Broadway Avenue
Winnipeg, Manitoba R3C 0T9
(204) 945-3535

Fitness Section

The **Fitness Section** encourages and promotes increased participation in physical activity leading to fitness and a healthy lifestyle for all Manitobans. Lottery dollars support programs providing fitness leadership development, consultative services plus the production of awareness and educational resources. Fitness is on the threshold of expanding to meet the ever increasing needs and demands of Manitobans.

Fitness Section
5th floor, 155 Carlton Street
Winnipeg, Manitoba R3C 3H8
(204) 945-4405

Manitoba

THE MANITOBA LOTTERIES FOUNDATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to C and Schedules 1 to 7, of The Manitoba Lotteries Foundation for the fiscal year ended March 31, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

J. W. Singleton, CA,
Assistant Provincial Auditor.

July 12, 1989,
Winnipeg, Manitoba.

The Manitoba Lotteries Foundation

Exhibit A

Balance Sheet as at March 31, 1989
(with 1988 figures for comparison)

	1989	1988
Assets		
Current Assets:		
Cash on hand and in bank	$ 1,767,510	$ 3,010,534
Term deposits with Minister of Finance	16,200,000	11,000,000
Accrued interest receivable	200,546	118,464
Accounts receivable:		
Western Canada Lottery Corporation	4,232,193	4,040,934
Trade	461,860	406,967
Miscellaneous	325,447	149,519
Inventories – at lower of cost or net realizable value:		
Bingo paper	144,318	131,594
Breakopen products	445,812	395,974
	23,777,686	19,253,986
Fixed assets, Note 3	3,496,478	3,649,675
Total assets	$27,274,164	$22,903,661

(continued on page 17)

The Manitoba Lotteries Foundation

Exhibit A (continued)

Balance Sheet as at March 31, 1989
(with 1988 figures for comparison)

	1989	1988
Liabilities and Fund Account Balances		
Current liabilities:		
Accounts payable and accrued liabilities:		
Government of the Province of Manitoba	$ 456,910	$ 529,237
Western Canada Lottery Corporation	134,475	190,936
Trade	347,174	270,242
Funds payable to the Government of the Province of Manitoba	4,609,614	4,589,269
Grants payable to organizations	5,809,062	5,070,366
	11,357,235	10,650,050
Accrued pension benefit	1,041,164	761,111
Fund account balances – Exhibit B		
Casino	—	140,105
Bingo Halls	424,746	295,375
Gaming Fund	9,451,019	3,176,478
General	5,000,000	2,343,348
Special	—	3,442,793
Equalization Fund	—	2,094,401
Total liabilities and fund account balances	$27,274,164	$22,903,661

The Manitoba Lotteries Foundation

Exhibit B

Statement of Changes in Fund Account Balances for the year ended March 31, 1989
(with 1988 figures for comparison)

	Casino	Bingo Halls	Gaming Fund	General	Special	Equalization Fund	Totals 1989	Totals 1988
Balance, beginning of year	$ 140,105	$ 295,375	$ 3,176,478	$2,343,348	$ 3,442,793	$ 2,094,401	$11,492,500	$15,690,230
Add:								
Revenue over expenditure, Exhibit C	3,595,492	4,115,988	49,283,169	—	—	—	56,994,649	55,679,433
	3,735,597	4,411,363	52,459,647	2,343,348	3,442,793	2,094,401	68,487,149	71,369,663
Deduct:								
Funds allocated to the Government of the Province of Manitoba, Schedule 6	—	—	19,569,654	—	—	5,384,100	24,953,754	30,390,837
Grants allocated to organizations, Schedule 7	4,079,477	3,986,617	19,727,036	—	—	864,500	28,657,630	29,486,326
	4,079,477	3,986,617	39,296,690	—	—	6,248,600	53,611,384	59,877,163
Balance before transfers between fund accounts	(343,880)	424,746	13,162,957	2,343,348	3,442,793	(4,154,199)	14,875,765	11,492,500
Transfers between fund accounts	343,880	—	(3,711,938)	2,656,652	(3,442,793)	4,154,199	—	—
Balance, end of year, Exhibit A	$ —	$ 424,746	$ 9,451,019	$5,000,000	$ —	$ —	$14,875,765	$11,492,500

The Manitoba Lotteries Foundation

Exhibit C

Statement of Revenue and Expenditure for the year ended March 31, 1989
(with 1988 figures for comparison)

	1989	1988
Revenue:		
Net lottery sales revenue, Schedule 1	$46,646,554	$43,526,707
Bingo paper and breakopen ticket sales, Schedule 2	5,238,196	5,477,147
Bingo hall revenue over expenditure, Schedule 3	4,115,988	4,080,720
Casino revenue over expenditure, Schedule 4	3,595,492	5,015,656
Interest income	1,672,377	1,423,219
License fees	870,175	831,989
Other income	261,029	267,814
	62,399,811	60,623,252
Administrative expenses, Schedule 5	5,405,162	4,943,819
Revenue over expenditure, Exhibit B	$56,994,649	$55,679,433

The Manitoba Lotteries Foundation

Schedule 1

Net Lottery Sales Revenue for the year ended March 31, 1989
(with 1988 figures for comparison)

	1989	1988
Lottery sales at retail:		
Lotto 6/49	$ 68,490,540	$ 62,115,425
Instant	32,794,270	29,728,778
Western Express	9,090,115	12,139,650
Lotto 6/36	5,162,274	7,728,609
Provincial	5,572,245	5,323,155
Super Loto	240,620	4,526,670
The Plus	6,932,122	—
Special Event	3,083,000	—
	131,365,186	121,562,287
Interest and other revenue – Western Canada Lottery Corporation	956,989	733,823
	132,322,175	122,296,110
Cost of lottery sales – Western Canada Lottery Corporation	83,884,452	75,581,468
	48,437,723	46,714,642
Payment by agreement to the Government of Canada, Note 4	1,791,169	3,187,935
Net lottery sales revenue, Exhibit C	$ 46,646,554	$ 43,526,707

The Manitoba Lotteries Foundation

Schedule 2

Bingo Paper and Breakopen Ticket Sales for the year ended March 31, 1989 (with 1988 figures for comparison)

	1989	1988
Bingo paper:		
Sales:		
–licensees	$1,744,027	$1,393,129
–bingo halls, Schedule 3	368,837	277,739
	2,112,864	1,670,868
Cost of bingo paper sold	1,694,192	1,511,028
Net sales	$ 418,672	$ 159,840
Breakopen tickets:		
Sales:		
–licensees	$5,996,853	$6,361,589
–bingo halls, Schedule 3	555,317	537,274
	6,552,170	6,898,863
Cost of breakopen tickets sold	1,732,646	1,581,556
Net sales	$4,819,524	$5,317,307
Bingo paper and breakopen ticket sales, Exhibit C	$5,238,196	$5,477,147

The Manitoba Lotteries Foundation

Schedule 3

Bingo Hall Revenue and Expenditure for the year ended March 31, 1989
(with 1988 figures for comparison)

	1989	1988
Revenue:		
Bingo paper:		
Sales (retail)	$10,691,227	$9,476,737
Less:		
Prizes	6,627,668	5,627,127
Cost of paper sold, Schedule 2	368,837	277,739
	3,694,722	3,571,871
Breakopen tickets:		
Sales (retail)	6,563,381	5,969,774
Less:		
Prizes	4,424,011	3,880,357
Cost of paper sold, Schedule 2	555,317	537,274
	1,584,053	1,552,143
Canteen proceeds	217,255	174,255
	5,496,030	5,298,269
Expenditure:		
Advertising	54,581	35,215
Bingo hall rental	247,834	240,625
Depreciation and amortization	126,892	88,332
Health & Post Secondary Education tax levy	10,785	7,220
Maintenance	157,376	117,976
Salaries and benefits:		
–permanent	235,669	262,499
–casual	258,525	203,021
Security	67,263	59,701
Shortage allocated to organizations	89,185	100,094
Sundry	67,207	48,745
Supplies	5,979	8,834
Utilities	58,746	45,287
	1,380, 042	1,217,549
Revenue over expenditure, Exhibit C	$ 4,115,988	$4,080,720

The Manitoba Lotteries Foundation

Schedule 4

Casino Revenue and Expenditure for the year ended March 31, 1989
(with 1988 figures for comparison)

	1989	1988
Revenue:		
Casino proceeds	$6,951,708	$8,767,334
Canteen and other income	67,790	66,648
Interest	284	630
	7,019,782	8,834,612
Expenditure:		
Advertising	143,884	139,435
Canteen supplies	73,453	84,359
Depreciation and amortization	261,138	258,761
Health & Post Secondary Education tax levy	50,320	17,571
Maintenance	18,777	25,258
Rentals	240,838	262,462
Salaries and benefits:		
–permanent	372,424	370,281
–casual	1,983,014	2,340,215
Security	94,413	113,398
Sundry	60,729	66,444
Supplies	56,070	77,152
Travel	69,230	63,620
	3,424,290	3,818,956
Revenue over expenditure, Exhibit C	$3,595,492	$5,015,656

The Manitoba Lotteries Foundation

Schedule 5

Administrative Expenses for the year ended March 31, 1989
(with 1988 figures for comparison)

	1989	1988
Advertising and promotion	$ 249,013	$ 203,840
Board members' fees and expenses	56,354	45,456
Cartage	123,850	123,682
Commissions and bonuses	—	50,281
Depreciation and amortization	239,281	231,335
Equipment rentals, repairs and maintenance	54,052	45,502
Health & Post Secondary Education tax levy	69,761	61,008
Insurance, security and property taxes	91,055	85,659
Office and storage space rentals	198,440	153,458
Provision for pension benefits	279,420	261,347
Postage, telephone and telex	123,288	112,488
Professional fees	249,233	287,543
Salaries and benefits	3,216,414	2,826,725
Sundry	134,615	142,743
Supplies and printing	108,922	115,463
Travel	211,464	197,289
Total administrative expenses, Exhibit C	$5,405,162	$4,943,819

The Manitoba Lotteries Foundation

Shedule 6

Allocation to the Government of the Province of Manitoba for the year ended March 31, 1989 (with 1988 figures for comparison)

	Gaming Fund	Equalization Fund	Totals 1989	1988
Department of Culture, Heritage and Recreation	$14,276,281	$ 5,220,000	$19,496,281	$24,914,206
Department of Community Services	—	164,100	164,100	159,700
Department of Health	94,250	—	94,250	5,316,931
Department of Industry, Trade & Tourism	5,199,123	—	5,199,123	—
Total	$19,569,654	$ 5,384,100	$24,953,754	$30,390,837

The Manitoba Lotteries Foundation

Grants allocated to Organizations for the year ended March 31, 1989
(with 1988 figures for comparison)

Schedule 7

	Casino	Bingo Halls	Gaming Fund	Equalization Fund	Totals 1989	Totals 1988
Manitoba Sports Federation Inc. and member organizations	$ 340,232	$2,316,591	$ 7,287,296	$ —	$ 9,944,119	$ 9,664,890
Manitoba Arts Council and member organizations	170,111	108,495	5,199,123	—	5,477,729	5,560,329
Manitoba Community Education Association Inc. and member organizations	1,148,283	190,302	—	—	1,338,585	1,583,867
Manitoba Community Services Council and member organizations	340,232	968,530	3,196,182	—	4,504,944	4,456,419
Manitoba Heritage Federation Inc.	657,570	—	—	—	657,570	821,962
Manitoba Intercultural Council and member organizations	170,111	402,699	809,700	—	1,382,510	1,363,676
United Way of Winnipeg	—	—	2,386,483	—	2,386,483	2,386,483
Health Sciences Centre Research Foundation	—	—	424,126	—	424,126	530,137
Manitoba Health Research Council	—	—	424,126	787,000	1,211,126	1,317,137
Festival du Voyageur	264,989	—	—	—	264,989	331,237
Red River Exhibition Association	264,989	—	—	—	264,989	331,237
Folk Arts Council of Winnipeg Inc.	235,546	—	—	—	235,546	294,432
Winnipeg Blue Bombers Football Club	235,546	—	—	—	235,546	294,432
Manitoba Federation of Labour	—	—	—	77,500	77,500	—
Rural Casinos, Note 6	251,868	—	—	—	251,868	550,088
Total, Exhibit B, Note 5	$4,079,477	$3,986,617	$19,727,036	$864,500	$28,657,630	$29,486,326

The Manitoba Lotteries Foundation

Notes to the Financial Statements for the year ended March 31, 1989

1. Establishment of the Foundation and Nature of Operations

Order-in-Council 282/83 dated March 16, 1983 proclaimed the Manitoba Lotteries Foundation Act.

The Manitoba Lotteries Foundation, as an agent of the Government of the Province of Manitoba, is responsible for the overall conduct and management of all lottery schemes in Manitoba, except for raffles with prizes under three thousand dollars. The Foundation may issue licenses to organizations to hold lottery schemes, in which case the Foundation carries out a supervisory and compliance control.

The Foundation works cooperatively with the Western Canada Lottery Corporation (W.C.L.C.) and sells and distributes all lottery tickets in Manitoba. W.C.L.C. is responsible for designing lottery games, printing lottery tickets, determining winning numbers, paying out prizes, as well as other administrative responsibilities as determined by the member provinces.

The Manitoba Lotteries Foundation conducts and manages bingo and breakopen ticket lotteries at two bingo halls. The Foundation also conducts and manages all casinos in the Province of Manitoba.

2. Significant Accounting Policies

(a) Revenue and expenditure is recorded on an accrual basis except for the following:

(i) Revenue on lottery ticket sales, Schedule 1, Note 2(b), is recognized on sales for which draws are completed in the fiscal year.

(ii) Casino revenue and expenditure, Schedule 4, Note 2(f), is recognized on casinos which are completed in the fiscal year.

(iii) Licensing revenue, Note 2(c), is recognized on a cash receipts basis.

(b) Government Lotteries

Lottery revenue is received from W.C.L.C. and represents the revenue the Foundation receives from government lottery sales in the Province of Manitoba less Manitoba's share of W.C.L.C.'s costs associated with these sales and Manitoba's share of the amounts owing to the Federal Government.

(c) Licence Fees

Licence fees are assessed to recover certain of the Foundation's operating costs pertaining to the regulation of lottery schemes in the Province.

(d) Fixed Assets and Depreciation

Fixed assets are recorded at cost.

Furniture, automotive and other equipment are depreciated on a straight-line basis over 5 years.

Building is depreciated on a straight-line basis over 20 years.

Leasehold improvements are amortized over the term of the lease.

Casino security equipment is depreciated on a straight-line basis over 10 years.

(e) Pension Costs

Employees and officers of the Foundation are pensionable under the Civil Service Superannuation Fund (the Fund) and make contributions to the Fund at prescribed rates. The Foundation is required to pay 50% of the pension disbursements made to retired employees. It is the policy of the Foundation to charge to administrative expense the employer's portion of pension benefits earned by employees. This is calculated in accordance with a formula contained in the actuarial report prepared as of December 31, 1986. The expense for 1989 was $279,420 (1988, $261,347). This expense and the resulting liability of $1,041,164 (1988, $761,111) are based on the assumption that future pensions will be increased due to increases in the cost of living.

(f) Casino

The casino statement, Schedule 4, reflects the transactions pertaining to casinos operated and managed by the Foundation. The casinos are charged

with all direct expenses of operating the casinos. There is no allocation of indirect expenses including senior management salaries.

(g) Bingo Halls

The bingo hall statement, Schedule 3, reflects the transactions pertaining to bingo hall events operated and managed by the Foundation. The bingo hall operations are charged for all direct expenses of operating the bingo halls. There is no allocation of indirect expenses including senior management salaries.

(h) Fund Accounts

The Foundation maintains specific fund accounts in order to recognize restrictions placed on the use of resources. The funds are included in the net assets of the Foundation.

The proceeds realized by the Foundation from the conduct and management of lottery schemes, less the costs of conducting and managing the lottery schemes and administering the Manitoba Lotteries Foundation Act, are to be used and applied at the descretion of the Government of the Province of Manitoba.

(i) Gaming Fund Account

The Gaming Fund Account is credited with the net proceeds from operations except for casino and bingo hall operations.

The available proceeds of this Fund Account are payable and/or transferable to charitable community organizations through their designated umbrella groups, to designated departments of the Government of the Province of Manitoba and to the Equalization Fund Account based on a sharing formula approved by Order-in-Council.

(ii) Casino and Bingo Hall Fund Accounts

These fund accounts are credited with the net proceeds from casinos and bingos operated by the Foundation.

The proceeds are payable to umbrella groups and/or community organizations that were involved with the bingo events. The umbrella groups which had been involved with casinos in Winnipeg were allocated an amount as approved by an Order-In-Council based on the 1987-88 actual daily profit. A transfer of $343,880 was made from the Gaming Fund to the Casino Fund to cover the difference between the net proceeds from casino operations and the allocations to the groups.

(iii) General Fund Account

For the year ended March 31, 1989, $3,000,000 was transfered from the Gaming Fund to the General Fund Account which now reflects $5,000,000 in retained income for working capital and investment in fixed assets as approved by an Order-In-Council. Also an interfund transfer of $343,348 to the Special Fund Account was recorded as required by Cabinet directive.

(iv) Special Fund Account

The Special Fund Account is set up and used for special projects as authorized by Cabinet. The balance in this account has been transferred into the Gaming Fund Account as approved by an Order-In-Council. Changes in the account during the year are set out below:

Opening balance		$3,442,793
Transfers from General Fund Account, Note 2(h) (iii)	$ 343,348	
Transfers to the Gaming Fund Account	(3,786,141)	3,443,793
Closing balance, Exhibit B		$ —

(v) Equalization Fund Account

This Fund Account receives a 10% allocation of the net proceeds credited to the Gaming Fund Account after adjustments for medical research proceeds and interest. This is based on a sharing formula approved by Order-In-Council. For 1989, in compliance with Ministerial direction, the Equalization Fund received the lesser of 10% or an amount equal to the 1987 allocation. The purpose of this Fund Account is to provide for adjustments which may be necessary, based on historical relationships between sharing groups in the Gaming Fund Account and to provide for any other uses at the sole discretion of the Government of the Province of Manitoba. The balance of this Account has been transferred into the Gaming Fund Account as approved by an Order-In-Council.

3. Fixed Assets

	Cost	Accumulated Depreciation and Amortization	1989 Net Book Value	1988 Net Book Value
Land	$1,344,723	$ —	$1,344,723	$1,344,723
Furniture and equipment	862,641	614,304	248,337	284,466
Building	1,299,087	237,988	1,061,099	1,071,091
Leasehold improvements	890,592	660,205	230,387	199,963
Casino equipment and chips	571,015	428,503	142,512	182,283
Casino security equipment	402,629	149,907	252,722	292,985
Other equipment	457,290	240,592	216,698	274,164
	$5,827,977	$2,331,499	$3,496,478	$3,649,675

4. Payment to Government of Canada

Effective January 1, 1980, the Government of Canada terminated its involvement in lotteries. In return, the ten Provinces are to contribute an annual sum of $24,000,000, adjusted for inflation, to the Federal Government.

On June 3, 1985, a second agreement was signed between the Provinces of Canada and the Federal Government whereby the Provinces have agreed to pay $100,000,000 over three years in return for the Federal Government amending the criminal code removing the Federal Government as a participant in lottery and gaming activities.

Manitoba's share of payment	1989	1988
Agreement #1	$1,791,169	$1,738,595
Agreement #2	—	1,449,340
	$1,791,169	$3,187,935

5. Grants to Organizations

Grants to organization reflected on Schedule 7 were made to the umbrella groups and/or member organization. Agreements and/or letters of understanding with the umbrella groups provide for Manitoba Lotteries Foundation to make certain payments directly to the member organizations.

6. Rural Casinos

Proceeds of the rural casinos were allocated to the following organizations:

(see chart page 30)

7. Commitments and Contingent Liabilities

(a) The following contractual liabilities exist as at March 31, 1989:

Operating lease commitments for facilities, hall and equipment amount to $786,438.

The minimum rental payments on these leases for subsequent fiscal years are:

March 31, 1990	$347,229
March 31, 1991	283,692
March 31, 1992	131,817
March 31, 1993	23,700
March 31, 1994	—
	$786,438

Contractual commitments relating to renovations in progress amount to $386,133 (1988 – nil)

(b) The following contingent liabilities exist as at March 31, 1989:

Five claims have been filed against the Foundation. One claim is with respect to the Foundation's operating, managing and controlling certain specified bingo halls in the Province of Manitoba. One claim is with respect to the Foundation's operating, managing and controlling casinos in the Province of Manitoba. One claim pertains to the Foundation's refusal of a certain licence. One claim concerns the business of selling lottery products outside the Province of Manitoba. One claim pertains to the Foundation's dismissal of two employees.

The financial implications of these claims cannot be determined at this time.

No provision has been made in the accounts of the Foundation in respect to these claims as at March 31, 1989.

8. Comparative Figures

The 1988 figures have been reclassified where necessary to conform to the 1989 financial statement presentation.

		1989	1988
Rural Casinos	St. Pierre Curling Club	$24,239	$10,552
	Kinsmen Club of The Pas	21,853	18,656
	St. Andrews Community Club	20,662	28,295
	Elie Community Club	19,041	940
	Oakbank Community Club	18,710	21,570
	Kinsmen Club of Gimli	17,985	14,533
	South Interlake Golf and Country Club	14,113	—
	Little Britain Community Club	13,774	17,197
	Lockport Community Club	11,479	—
	Lorette Sports Centre	8,204	39,627
	Balmoral Skating and Hockey Club	6,341	6,910
	Kinsmen Club of Stony Mountain	6,341	6,910
	Ste. Anne Curling Club	5,563	4,896
	R.C.L. #220 – La Verendrye Branch	5,563	4,896
	Ste. Anne Minor Hockey Association	5,563	4,896
	Village of Ste. Anne Parks & Recreation	5,563	4,896
	Beausejour Brokenhead Memorial Arena Board	5,405	6,948
	Provincial Exhibition of Brandon	4,739	21,435
	St. Adolphe Community Club	3,858	9,456
	Winnipeg Beach Community Curling Club	3,074	—
	Kinsmen Club of Flin Flon	2,808	10,934
	Carman Curling Club	2,773	25,606
	Kinsmen Club of Stonewall	2,666	—
	R.C.L. #20 – Stonewall Branch	2,666	—
	Stonewall Curling Club	2,666	—
	Richer Community Club	2,087	—
	Richer Knights of Columbus	2,087	28,280
	Kinsmen Club of Teulon	2,074	10,895
	Teulon & Area Lions Club	2,074	—
	Teulon Hockey Club Inc.	2,074	—
	Kinette Club of Teulon	2,074	—
	Teulon Ukrainian Dance Club	2,074	—
	Kinsmen Club of Thompson	1,675	9,494
	Garson Community Rink Inc.	—	38,742
	Stonewall Casino '87	—	38,312
	East St. Paul Community Club	—	33,615
	Selkirk Casino Umbrella Group	—	20,339
	East Selkirk Recreation Assoc. Inc.	—	19,144
	Warren Recreation Center	—	15,282
	Labroquerie Arena Board	—	14,191
	Grosse Isle Memorial Park Recreational Club	—	13,114
	Meadows Community Club	—	13,114
	Rosser Central Community Club	—	13,114
	Morris Curling Club	—	7,130
	St. Francois Xavier Community Club	—	6,182
	Rotary Club of Flin Flon	—	3,805
	Belcourt Community Club	—	3,091
	St. Francois Xavier Fire Fighters	—	3,091
		$251,868	$550,088